

Prudential Investor Day Video
ICICI Prudential Asset Management Company
Prosperity through Progress – Winning in an Evolving Market

Abhijit Shah

Head of Marketing, Digital and Customer Experience, ICICI Prudential AMC

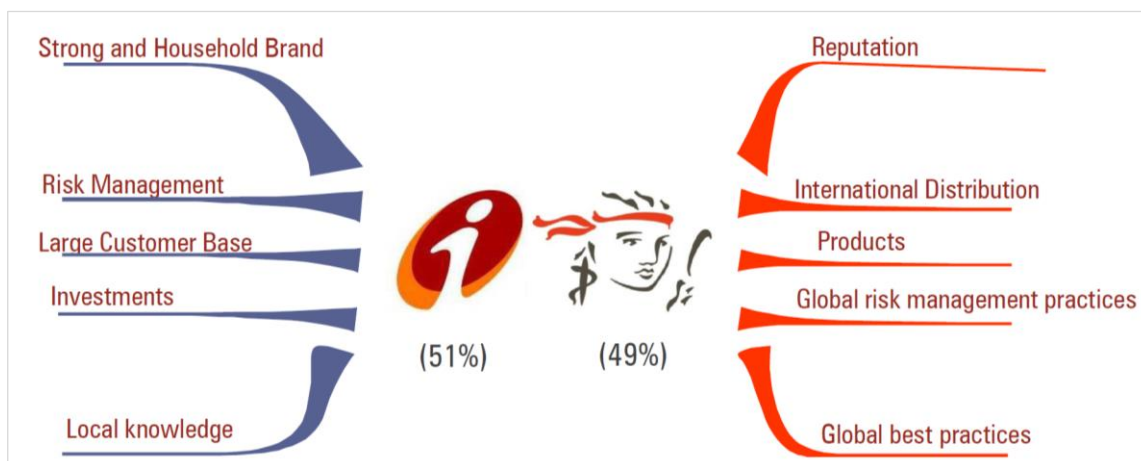
India is known the world over as a large and vibrant country, with 1.4 billion people spread across a wide geography. We are so different in so many ways, yet we also share one thing in common, and that is our pursuit of prosperity through progress as we all invest in a brighter future for ourselves and our families.

Nimesh Shah

Managing Director and CEO, ICICI Prudential AMC

ICICI Prudential AMC started its operations 22 years ago when the asset management industry was only a few years old and was dominated by few government-owned entities. The unique proposition of ICICI Prudential AMC has always been a strong brand. ICICI is a very strong local brand presence and Prudential has a strong international history of expertise when it comes to investment management.

Strong Parentage



So that is a mix of the two that the Indian customers have always been very appreciative about. Our senior management has worked in this company for more than 10 to 15 years. Today, we are proud to serve clients ranging from retired school teachers in the small towns of India, to billionaires of India, to the big corporates of India, with products that start at US\$10 of investments per month to around US\$100 million.

How do we do it? ICICI Prudential AMC has been and will continue to be guided by what we call the triangle of trust.

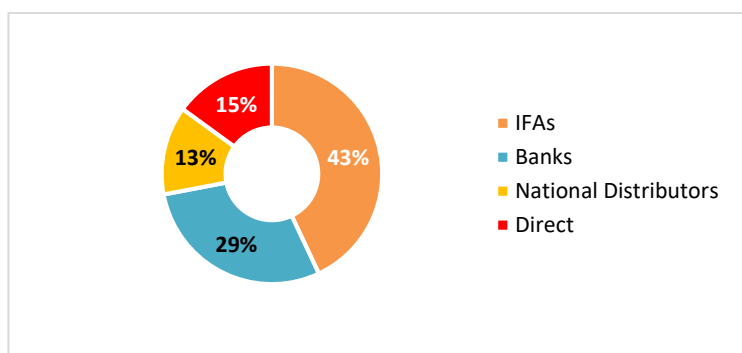
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The Triangle of Trust



The first element of this triangle is that the customer is the focal point for every activity undertaken by ICICI Prudential AMC. We cover the entire country, with our presence in over 270 cities and deep integration with a network of our banking partners and individual financial advisors.

ICICI Prudential AMC: Distribution Mix
(March 2021, by AUM)



Source: Company data

The network is so strong, that 91% of mutual fund distributors across India have ICICI Prudential AMC in their offerings.

The focus on customer delight has always made us a tech-first company, and our investments in automation and digital space have produced many industry firsts, such as IPRUtouch, our app which was the first one to be launched in the country.

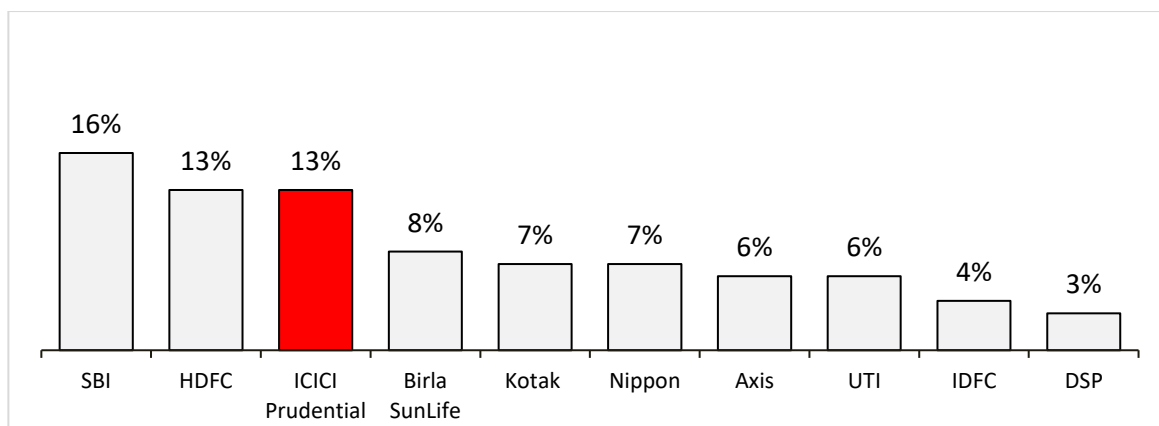
Our early mover advantage on B2C and Digital have also started showing results. We are the only asset manager in India to have a large dedicated customer engagement team. 25% of our overall staff is B2C-focused. 65% of the new customers that we acquire today come from digital channels.

This customer-centric approach enables our leadership towards the second component of our DNA: Profitability. Profitability that instils further confidence to invest for the future to create for a sustainable, growth-oriented business model.

Our Assets under management are US\$56 billion with a consistent market share of over 13% of the industry and with a customer base of 5.6 million, that's over 23% of the customers in the industry.

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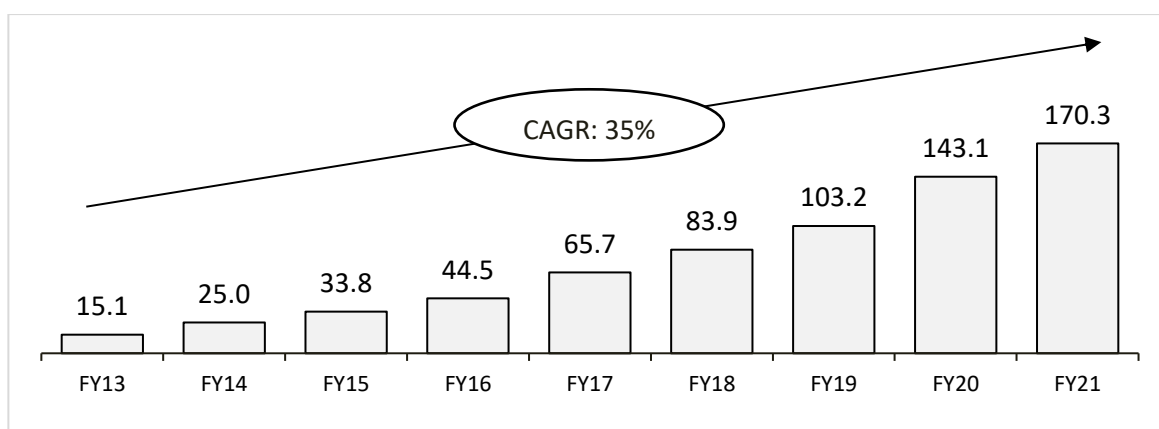
Mutual Fund Market Share
(March 2021, by closing AUM)



Source: AMFI

We are growing our profits at 35% per annum over the last 8 years and this growth has been consistently above industry levels. We are the largest in the industry on operating profits. On Return-on-Equity, we have more than 80%. Our cost-to-income ratios are less than 24%.

ICICI Prudential AMC: Profit After Tax
(US\$m)



Note: Indian financial year ending 31 March; FX rate of INR:USD of 73.1138

Source: Company data

The third angle, is our sound risk management policy with robust mechanisms and deep process orientation amongst our people, has always helped to enhance our brand and shareholder value. Examples of this we are proud of India, is that ICICI Prudential has never had any defaults or delays in the credit space for over the last 22 years. As asset managers, we are in the business of trust leadership.

Our entire organisation's KPIs are linked first to our compliance-first culture.

Ashish Gumashta
MD and CEO of Julius Bear

There are three things which come to my mind which makes ICICI Prudential Asset Management Company stand out.

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The first is that in emerging markets like India, from an ideation, to the planning, to the execution, I think its a great team, and the speed at which its executed really benefits the client.

The second thing is the diverse range of quality products which are available, be it equities, mutual funds, commodities, real estate.

And finally, the quality and depth of the talent. For almost 15 to 20 years I have been interacting with some of the best people in the business. ICICI Prudential Asset Management products almost become an integral part of every kind of portfolio.

We are really proud of the association and we look forward to a long-term relationship.

Yogesh Sharma
CEO YS Capital

ICICI Prudential AMC not only provides end-to-end seamless support for an individual financial adviser's daily business, but also has been really instrumental in charting out our future growth by providing relevant growth inputs at all times.

This can be seen through its product, the IPRUtouch mobile app, which is a large, technology and analytics-based enabler for my business. It's almost an "office in pocket" on my mobile phone for my business.

Varun Sridhar
CEO Of PAYTM Money

ICICI Prudential AMC has been at the pole position of innovation, change and bringing new products, and education to the mutual fund industry.

At PAYTM money, as we take long strides in making mutual funds accessible to all Indians, we are very happy to partner with ICICI, and make this journey together bringing new innovations and new products.

Nimesh Shah
Managing Director and CEO, ICICI Prudential AMC

So, what does the future hold for ICICI Prudential AMC?

First, it's worth noting the tremendous opportunities across the Indian economy. The country is currently ranked as the 6th largest in the world, moving up from 12th in 1990. By 2030, it is expected to become the 3rd largest, just behind China and the United States¹. Indians are big savers with saving rates of more than 31%². But most of these savings have always found their way into traditional instruments and hard assets. Only around 4% of that total was invested in equities. Hence India's Mutual Funds AUM and GDP stands at a modest 16%, while the world average is 63%³.

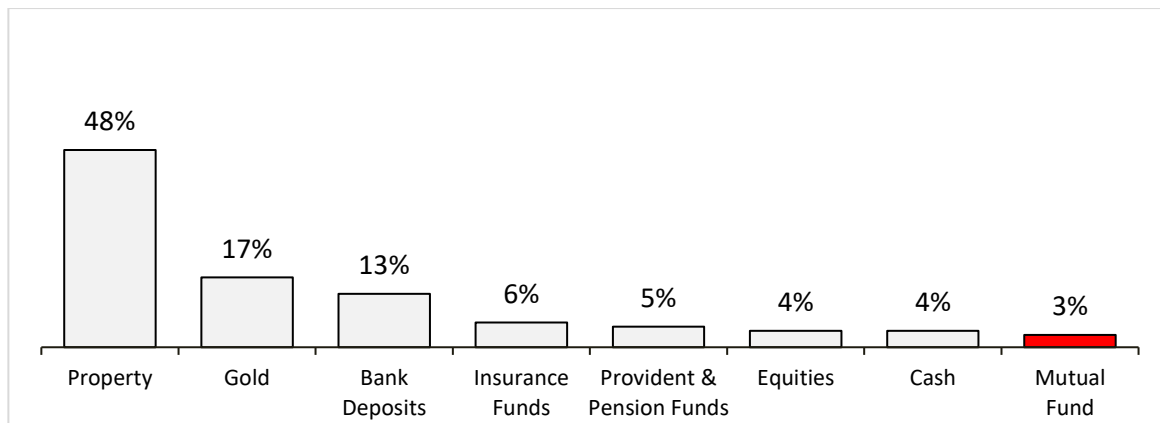
¹ Source: <https://economictimes.indiatimes.com/news/economy/indicators/india-to-become-5th-largest-economy-in-2025-3rd-largest-by-2030/articleshow/79964750.cms?from=mdr>

² IMF research, ceicdata

³ Source: https://www.business-standard.com/article/markets/india-s-mf-assets-to-gdp-ratio-much-lower-than-global-average-121030100895_1.html

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Indian Household Assets Composition
(December 2020)



Source: Jefferies, RBI

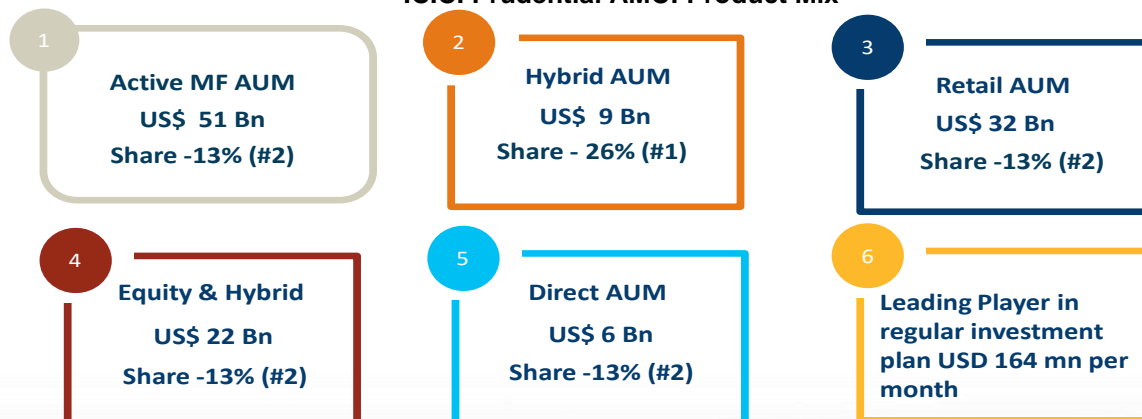
As our per capita income crossed USD2,000⁴, it is now time to progress and enhance the paradigm of ‘Savers becoming Investors.’ There is a large opportunity to capitalize on the shift from bank deposits to mutual funds.

As we go forward, ICICI Prudential AMC will build on the strong foundation of our triangle of trust. First, let’s talk about our investment philosophy.

Sankaran Naren
Executive Director & CIO, ICICI Prudential AMC

Our strong investor-centric philosophy aims to follow an investment style that offers a diversified portfolio of stocks and asset classes, that have a high potential of unlocking value at the same time protecting customer trust across market cycles. We have structured our investment teams, and our focus on process orientation and innovation, which have enabled us to effectively manage public money, without any disrepute to the brand.

ICICI Prudential AMC: Product Mix



Over the past years, we have created a culture of happy customers who have enjoyed the targeted returns on their portfolios and believe in our investment strategies.

⁴ Source: Trading economics

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An example of delivering our philosophy and strategy through product innovation is our Balanced Advantage Fund. Based on a model-led dynamic asset allocation as a unique selling point, Balanced Advantage Fund has now become a category, with every other competitor launching this product. As we go forward, it's time to excel on many such industry firsts, and build scale on all our products with the large opportunity ahead of us.

Nimesh Shah
Managing Director and CEO, ICICI Prudential AMC

Many factors are at play on the regulatory side. The regulator is focused on driving simplicity and transparency for the asset management industry to increase mutual fund penetration. A lot of work has been done by the industry in partnership with the regulator, to drive awareness and acceptance of mutual funds through large scale advertising, simplification of product classification, customer friendly asset management charges etc.

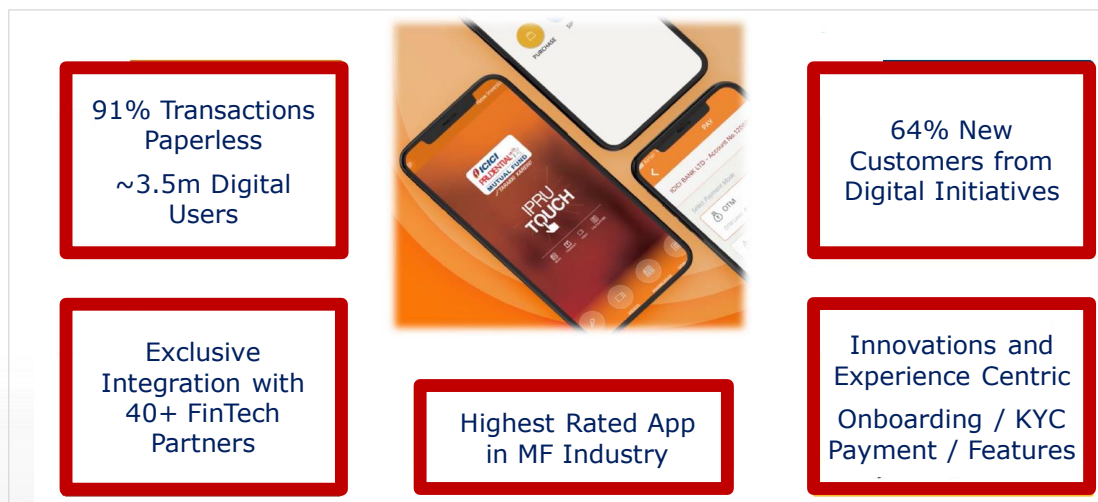
A very important change introduced recently is the simplification of the earlier complicated customer onboarding process which will result in tremendous growth on B2C and digital.

Abhijit Shah
Head Marketing, Digital and Customer Experience

India has unique structure where the ownership of customer data lies with the asset management company, and not the distributors. Another key differentiator is Aadhar, a unique digital identification that every Indian has. A recent change in regulation ensures that just by a simple authentication of this Aadhar number, people can start investing in Mutual Funds, without any paper or signatures. This is a large growth catalyst as the purchase of mutual fund is now as simple as buying a mobile phone on Amazon or any e-commerce platform.

As more Indians want to take control of their progress through financial planning and investments, we are seeing digital as the default medium for customer engagement, communication, marketing, and product discovery, hence a big B2C opportunity.

ICICI Prudential AMC Digital Tools: IPRU Touch



Another key trend that's expanding is the opportunity, is in the emergence and growth of fintech in India. In the last couple of years, the narrative of billion-dollar start-ups has shifted towards the fintech space.

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This is a big opportunity for digitally-savvy asset management companies, to collaborate and co-create products, and delivery models to capture a larger market share in this growing space.

Today more than 65% of our customers come from digital channels. 91% of our daily purchase transactions are fully paperless. With a dedicated structure on customer engagement on the B2C side with over 500 employees, we are ready to capture the large opportunity here.

Our investments on digital tools for customers, and ahead of market collaborations with fintech players help us to drive a higher market share and wallet share. We believe that our early mover advantage in these areas will create a large customer franchise that will allow us to reap higher benefits compared to competition.

Nimesh Shah

Managing Director and CEO, ICICI Prudential AMC

ICICI Prudential AMC is proud of our focus on our customers, our proven approach to risk management, and our investment philosophy, thus making us the most profitable AMC in India.

These principles, along with our sharp focus on B2C and digital, are sure to serve us well in the next phase of expansion.
